Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 ISO-00 AID-05 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 AGR-05 L-02

NSC-05 SS-15 IO-10 /093 W

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8566

INFO ALL EC CAPITALS 487

AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

AMEMBASSY WELLINGTON

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PASS AGRICULTURE

E.O. 11652: N/A TAGS: EAGR, EEC

SUBJECT: EXPORT SALES OF NONFAT DRY MILK

1. AT A LUNCHEON GIVEN BY AMBASSADOR GREENWALD ON MARCH 26 FOR USDA TEAM HEADED BY YEUTTER. EC COMMISSIONER LARDINOIS RAISED THE QUESTION OF U.S. SALES OF SURPLUS NON FAT DRY MILK (NFDM). HE SAID HE MET RECENTLY WITH NEW ZEALANDERS WHO ARE VERY CONCERNED ABOUT EC POLICY FOR SUBSIDIZING SALES OF NFDM. THE WORLD MARKET PRICE FOR NFDM HAS DROPPED SHARPLY IN RECENT MONTHS FROM ABOUT \$1,150 PER METRIC TO TO AROUND \$780 PER METRIC TON. LARDINOIS SAID THE EC AND NEW ZEALAND HAVE AGREED NOT TO UNDERCUT A PRICE OF \$800 PER METRIC TON. THEY HAD ALSO AGREED THAT NEW ZEALAND WOULD APPROACH THE AUSTRALIAN GOVERNMENT AND THAT LARDINOIS SHOULD TALK WITH THE U.S. AND CANADA TO URGE THEM ALSO TO AVOID UNDERCUTTING THIS PRICE, LARDINOIS SAID HE LIMITED OFFICIAL USE

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WISHED TO TAKE ADVANTAGE OF THE PRESENCE OF YEUTTER

AND THE USDA TEAM (A) TO MAKE THIS REQUEST OFFICIALLY AND (B) TO ASK FOR A READING ON THE U.S. SITUATION ON THIS COMMODITY.

- 2. ANDERSON, USDA, EXPLAINED THAT THE U.S. CURRENTLY PLANS TO MOVE ABOUT 50,000 METRIC TONS IN FY 1975 AS GRANTS UNDER TITLE II OF P.L. 480 (40,000 M.T. TO THE WFP AND 10,000 M.T. TO US VOLUNTARY RELIEF AGENCIES) AND THAT PROGRAM PLANS FOR FY 1976, THOUGH NOT YET DETERMINED, ARE LIKELY TO MOVE AS MUCH AS 80,000 METRIC TONS UNDER TITLE II, P.L. 480.
- 3. LARDINOIS ASKED THAT THE U.S. AGREE TO CONSULT IN CASE OF ANY DEVELOPMENTS THAT WOULD UNDERCUT THE \$800 FIGURE. YEUTTER AGREED TO CONVEY LARDINOIS' REQUEST FOR AN UNDERSTANDING ON THIS MATTER TO WASHINGTON. LARDINOIS MADE CLEAR THAT HIS CONCERN WOULD INCLUDE BOTH NORMAL COMMERCIAL SALES AND CONCESSIONAL SALES. GREENWALD

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Message Attributes

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